

or created at installation and the customer should receive written assurance that all vendor passwords will meet minimum requirements regarding length, change schedule, and alpha numeric format. CPE vendors should be encouraged to offer security related hardware and software in the price of their systems.

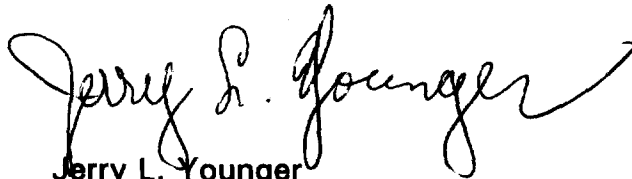
The provisions outlined in the NPRM are fair and equitable. Shared liability will require clearly defining the responsibilities of the;

- CPE owner to secure their equipment
- CPE vendors to warn customers of the specific toll fraud risks associated with their equipment
- IXC's and LEC's to offer detection, notification, prevention, and education offerings and services

If toll fraud occurs due to the negligence of one or more parties then the financial loss should be equitably distributed among those negligent parties. If there is no proven negligence the financial loss should be equitably distributed among CPE owner, and all CPE vendor(s), LEC(s) and IXC(s) involved.

Toll Fraud is a financially devastating problem that effects the entire telecommunications industry including users, vendors and carriers. I am sure, that if we all work together we can and will make a positive impact on this problem.

Sincerely,

A handwritten signature in black ink, reading "Jerry L. Younger". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Jerry L. Younger
Director, Network Services

JY:cw

January 11, 1994

RECEIVED

JAN 24 1994

FCC MAIL ROOM

Mr. William F. Canton
Acting Secretary
Federal Communications Commission
1919 M Street NW
Washington, DC 20554

Re: CC Docket no. 93-292

Dear Mr. Canton:

I am a telecommunications professional who is responsible for my company's telecommunication systems and I am painfully aware that although I may reduce the risk, no matter how many steps I take to secure my systems, I am still vulnerable to toll fraud. That is why I am so encouraged by the proposed rule making.

PBX owners should not be responsible for 100% of toll fraud if we are not controlling 100% of our destiny. This destiny is ultimately controlled by not only our implementation and proper use of PBX security features but by the information, equipment and services provided by IXC's, LEC's and CPE vendors. The legal obligations of the IXC's, LEC's and CPE vendors should provide the proper incentive to reduce and eliminate all toll fraud.

Current programs offered by some IXC's (Sprint Guard™, MCI Detect™, and AT&T Netprotect™) and insurance companies are too expensive. Monitoring and proper notification by the IXC's must be a part of the basic interexchange service offerings. This should eliminate cases of toll fraud greater than 24 hours.

LEC's must also provide monitoring and proper notification as a part of their basic service offerings. Local lines are as vulnerable to toll fraud. As the line between IXC and LEC becomes fuzzier, monitoring and proper notification by all carriers will be even more applicable.

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Orig.

CPE vendors need to provide telecommunications security as a cost of doing business instead of an opportunity to sell additional products and services. CPE vendors should be required to provide warnings about the risks of toll fraud, as it specifically relates to their equipment and provide solutions to reduce the risk of toll fraud. All CPE should be delivered without standard default passwords, which are well known to the criminal community. All login IDs, including those used by the vendor, should be disclosed at the time of purchase and at installation. All customer passwords should be changed or created at installation and the customer should receive written assurance that all vendor passwords will meet minimum requirements regarding length, change schedule, and alpha numeric format. CPE vendors should be encouraged to offer security related hardware and software in the price of their systems.

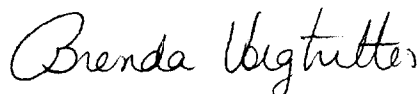
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Toll Fraud is a financially devastating problem that effects the entire telecommunications industry including users, vendors and carriers. I am sure, that if we all work together we can and will make a positive impact on this problem.

Sincerely,



Brenda Voigtritter,
Manager, Western Regional Telecommunications
Science Applications International Corp.
10260 Campus Point Drive
San Diego, CA 92121

January 11, 1994

Mr. William F. Canton
Acting Secretary
Federal Communications Commission
1919 M Street NW
Washington, DC 20554

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JAN 24 1994

FCC MAIL ROOM

Re: CC Docket no. 93-292

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I am a telecommunications professional who is responsible for my company's telecommunication systems and I am painfully aware that although I may reduce the risk, no matter how many steps I take to secure my systems, I am still vulnerable to toll fraud. That is why I am so encouraged by the proposed rule making.

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Current programs offered by some IXC's (Sprint Guard™, MCI Detect™, and AT&T Netprotect™) and insurance companies are too expensive. Monitoring and proper notification by the IXC's must be a part of the basic interexchange service offerings. This should eliminate cases of toll fraud greater than 24 hours.

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Quigley

CPE vendors need to provide telecommunications security as a cost of doing business instead of an opportunity to sell additional products and services. CPE vendors should be required to provide warnings about the risks of toll fraud, as it specifically relates to their equipment and provide solutions to reduce the risk of toll fraud. All CPE should be delivered without standard default passwords, which are well known to the criminal community. All login IDs, including those used by the vendor, should be disclosed at the time of purchase and at installation. All customer passwords should be changed or created at installation and the customer should receive written assurance that all vendor passwords will meet minimum requirements regarding length, change schedule, and alpha numeric format. CPE vendors should be encouraged to offer security related hardware and software in the price of their systems.

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Toll Fraud is a financially devastating problem that affects the entire telecommunications industry including users, vendors and carriers. I am sure, that if we all work together we can and will make a positive impact on this problem.

Sincerely,

Gene Hanks
GE Aircraft Engines

Atmos Energy Corporation

January 10, 1994

Mr. William F. Canton
Acting Secretary
Federal Communications Commission
1919 M Street NW
Washington, D.C. 20554

RE: CC Docket 93-292

Dear Mr. Canton:

It was with great interest I read the recent FCC Notice of Proposed Rulemaking concerning Toll Fraud. As a telecommunications professional who is responsible for my company's communications systems, I am encouraged by the proposed rulemaking because even though I have taken each and every protective step recommended by the IXC's and CPE vendors to secure my systems, I can still experience toll fraud. It is impossible to secure my system 100% from fraud.

PBX owners should not be responsible for 100% of the fraud if we don't control 100% of our destiny. Since our destiny is not only controlled by our PBX security precautions, but also by the information, services and equipment provided IXCs, LECs and CPEs, the law should reflect that. It is preposterous to think that the IXCs, LECs and CPEs who all have a very important part in this issue, have absolutely no legal obligations to warn customers and therefore, no real incentive to stop fraud.

CPEs should be required to provide warnings about the risks of toll fraud with their equipment and provide recommended counter methods. It is critical that CPEs ship equipment without default passwords which are well known within the hacker community. Passwords should be created during the installation of the equipment with the customers full knowledge. CPEs should be required to include security-related hardware and software in the price of their systems. When you buy a car, the lock and key are provided in the design and price of the car. Not a adjunct that you have to purchase later.

While the programs offered by IXCs, such as MCI Detect, AT&T NetProtect and Sprint Guard have broken new ground in relation to preventing toll fraud, they still don't do enough. Some of these services are too expensive for smaller companies and the educational information is superficial. Monitoring by the IXCs should be a part of the basic interexchange service offerings, as all companies, large and small, are vulnerable to toll fraud. If the IXCs were monitoring all traffic, there wouldn't be any cases of toll fraud for periods longer than a day.

As hackers begin new methods of breaking into systems by using local lines instead of 800 numbers, the LECs should be required to offer monitoring services similar to the IXCs.

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I applaud the provisions outlined in the NPRM on shared liability. They are fair and equitable. Shared liability will require clear definitions of the specific responsibilities of the CPE owner to secure their equipment, the manufacturer to adequately warn the customer of the toll fraud risks associated with features of the CPE, and the IXC's and LECs to offer detection and prevention programs and educational services. If toll fraud occurs and one of the parties should fail to meet these responsibilities and prove to be negligent, then they should bear the cost of the fraud. I do not believe any damages should be awarded to the aggrieved parties. Should all parties have met the aforementioned responsibilities, and toll fraud occurs, then liability should be shared equally.

However, shared liability only addresses the symptom of the problem of toll fraud and not the cause.

The root of this insidious crime of toll fraud is the hacker community. As the information highway widens, so do the endless opportunities for hackers to compromise our communication systems. I do not believe it when the hackers state they only 'hack' to gain knowledge. If this were the case, there wouldn't be a toll fraud problem. While it is the hacker who breaks into the systems and sells the information, it is the call sell operations that truly profit from it.

Until we come up with an adequate method for law enforcement to catch and prosecute these criminals, toll fraud will continue to grow beyond the \$5 billion problem it is today. We must develop legislation that clearly defines and penalizes this criminal activity and gives law enforcement the tools it needs to track and prosecute the perpetrators of toll fraud.

Toll fraud is an illegal, fraudulent theft of service. I am encouraged that if we all work together we can make a positive impact on this terrible problem.

Sincerely,

A handwritten signature in cursive script that reads "Sandy Peters".

Sandy Peters
Telecommunications Manager

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JAN 24 1994

McDERMOTT, WILL & EMERY

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

FCC MAIL ROOM

75 STATE STREET
BOSTON, MASSACHUSETTS 02109
617/345-5000

2049 CENTURY PARK EAST
LOS ANGELES, CALIFORNIA 90067
310/277-4110

201 SOUTH BISCAYNE BOULEVARD
MIAMI, FLORIDA 33131
305/358-3500

227 WEST MONROE STREET
CHICAGO, ILLINOIS 60606-5096

312/372-2000

CLIENT/ATTORNEY RECEPTION - 44TH FLOOR
MAIL/MESSENGER RECEPTION - 31ST FLOOR

FACSIMILE 312/984-3689
TELEX 253565, 210079
CABLE MILAM

1301 DOVE STREET
NEWPORT BEACH, CALIFORNIA 92660
714/851-0633

1211 AVENUE OF THE AMERICAS
NEW YORK, NEW YORK 10036
212/768-5400

1850 K STREET, N.W.
WASHINGTON, D.C. 20006
202/887-8000

January 20, 1994

Mr. William F. Canton
Acting Secretary
Federal Communications Commission
1919 M Street NW
Washington, D.C. 20554

Re: CC Docket No. 93-292

Dear Mr. Canton:

I am a telecommunications professional who is responsible for my company's telecommunication systems and I am very aware that although I may reduce the risk, no matter how many steps I take to secure my systems, I am still vulnerable to toll fraud. That is why I am so encouraged by the proposed rule making.

PBX owners should not be responsible for 100% of toll fraud if we are not controlling 100% of our destiny. Our destiny is ultimately controlled by the information, equipment and services provided by IXC's, LEC's and CPE vendors. The legal obligations of the IXC's, LEC's and CPE vendors should provide the proper incentive to reduce and eliminate all toll fraud.

Current programs offered by some IXC's (Sprint Guard™, MCI Detect™, and AT&T Netprotect™) and insurance companies are too expensive. Monitoring and proper notification by the IXC's must be a part of the basic inter-exchange service offerings. This should eliminate cases of toll fraud that last more than 24 hours.

LEC's must also provide monitoring and proper notification as a part of their basic service offerings. Local lines are just as vulnerable to toll fraud. As the line between IXC and LEC becomes fuzzier, monitoring and proper notification by all carriers will be even more applicable. Note, specifically MCI's recent announcement about providing local access in Illinois and New York.

Quigley

Mr. William F. Canton
January 20, 1994
Page 2

CPE vendors need to provide telecommunications security as a cost of doing business instead of an opportunity to sell additional products and services. CPE vendors should be required to provide warnings about the risks of toll fraud, as it specifically relates to their equipment and provide solutions to reduce the risk of toll fraud. All CPE should be delivered without standard default passwords, which are well known to the criminal community. All login IDs, including those used by the vendor, should be disclosed at the time of purchase and at installation. All customer passwords should be changed or created at installation and the customer should receive written assurance that all vendor passwords will meet minimum requirements regarding length, change schedule, and alpha numeric format. CPE vendors should be encouraged to offer security related hardware and software in the price of their systems.

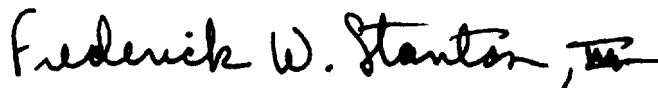
The provisions outlined in the NPRM are fair and equitable. Shared liability will require clearly defining the responsibilities of the;

- CPE owner to secure their equipment,
- CPE vendors to warn customers of the specific toll fraud risks associated with their equipment, and
- IXC's and LEC's to offer detection, notification, prevention, and education offerings and services.

If toll fraud occurs due to the negligence of one or more parties then the financial loss should be equitably distributed among those negligent parties. If there is no proven negligence, the financial loss should be equitably distributed among CPE owners, and all CPE vendor(s), LEC(s) and IXC(s) involved. This is particularly appropriate because we must rely on their expertise to secure our CPE.

Toll Fraud is a financially devastating problem that affects the entire telecommunications industry including users, vendors and carriers. I am sure that if we all work together we can and will make a positive impact on this problem.

Sincerely,



Frederick W. Stanton, III
Director, Information Systems

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**MARITZ** INC.

1375 NORTH HIGHWAY DRIVE / FENTON, SAINT LOUIS COUNTY, MISSOURI 63099 / 314-827-4000

January 14, 1994

RECEIVED**JAN 24 1994****FCC MAIL ROOM**

Mr. William F. Canton
 Acting Secretary
 Federal Communications Commission
 1919 M Street NW
 Washington, DC 20554

Re: CC Docket No. 93-292

Dear Mr. Canton:

I am a telecommunications professional who is responsible for my company's telecommunication systems and I am painfully aware that although I may reduce the risk, no matter how many steps I take to secure my systems, I am still vulnerable to toll fraud. That is why I am so encouraged by the proposed rule making.

PBX owners should not be responsible for 100% of toll fraud if we are not controlling 100% of our destiny. This destiny is ultimately controlled by not only our implementation and proper use of PBX security features but by the information, equipment and services provided by IXC's, LEC's and CPE vendors. The legal obligations of the IXC's, LEC's and CPE vendors should provide the proper incentive to reduce and eliminate all toll fraud.

Current programs offered by some IXC's (Spring Guard™, MCI Detect™, and AT&T Netprotect™) and insurance companies are too expensive. Monitoring and proper notification by the IXC's must be a part of the basic interexchange service offerings. This should eliminate cases of toll fraud greater than 24 hours.

LEC's must also provide monitoring and proper notification as a part of their basic service offerings. Local lines are as vulnerable to toll fraud. As the line between IXC and LEC become fuzzier, monitoring and proper notification by all carriers will be even more applicable.

CPE vendors need to provide telecommunications security as a cost of doing business instead of an opportunity to sell additional products and services. CPE vendors should be required to provide warnings about the risks of toll fraud, as it specifically relates to their equipment and provide solutions to reduce the risk of toll fraud. All CPE should be delivered without standard default passwords, which are well known to the criminal

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Orig.

Mr. Canton
Page Two

community. All login IDs, including those used by the vendor, should be disclosed at the time of purchase and at installation. All customer passwords should be changed or created at installation and the customer should receive written assurance that all vendor passwords will meet minimum requirements regarding length, change schedule and alpha numeric format. CPE vendors should be encouraged to offer security-related hardware and software in the price of their systems.

The provisions outlined in the NPRM are fair and equitable. Shared liability will require clearly defining the responsibilities of the;

- CPE owner to secure their equipment
- CPE vendors to warn customers of the specific toll fraud risks associated with their equipment
- IXC(s) and LEC(s) to offer detection, notification, prevention and education offerings and services

If toll fraud occurs due to the negligence of one or more parties, then the financial loss should be equitably distributed among those negligent parties. If there is no proven negligence, the financial loss should be equitably distributed among CPE owner and all CPE vendor(s), LEC(s) and IXC(s) involved.

Toll fraud is a financially devastating problem that effects the entire telecommunications industry including users, vendors and carriers. I am sure that if we all work together we can, and will, make a positive impact on this problem.

Sincerely,



Wallace B. Taggart
Division VP, Manager,
Telecommunications Planning & Adm.

WT:im

cc: Sam Ottenlips, Maritz Inc.

INGRAM

January 17, 1994

RECEIVED

JAN 24 1994

FCC MAIL ROOM

Mr. William F. Canton
Acting Secretary
Federal Communications Commission
1919 M Street NW
Washington, DC 20554

Re: **CC Docket No. 93-292**

Dear Mr. Canton:

I am a telecommunications professional who is responsible for my companies' telecommunications systems and I am painfully aware that although we may reduce the risk, no matter how many steps we take to secure our systems, we are still vulnerable to toll fraud. That is why I am so encouraged by this proposed rule making.

PBX owners should not be responsible for 100% of toll fraud if we are not able to control 100% of the potential areas of risk. This risk is ultimately controlled by not only our implementation and proper use of PBX security features, but also by the information, equipment, and services provided by the IXC's, LEC's, and CPE vendors. The legal obligations of these IXC's, LEC's, and CPE vendors should provide the proper incentives to reduce and eliminate all toll fraud.

Current programs offered by the IXC's and insurance companies are too expensive. Monitoring and proper notification by the IXC's must be a part of the basic interexchange service offerings. This should eliminate cases of toll fraud of duration longer than 24 hours.

LEC's must also provide monitoring and proper notification as a part of their basic service offerings. Local lines are as vulnerable to toll fraud as the IXC services. As the lines between IXC and LEC services becomes fuzzier, monitoring and proper notification by all service providers will be more important than ever.

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These security measures should be included in the basic costs of doing business by these providers. Today, they use the "scare" of toll fraud as a way of selling additional security products. Rather than accept their share of the responsibility, they try to capitalize financially on their customers. CPE vendors should likewise be required to provide full disclosure of vulnerabilities, and specific instruction on the implementation of measures to eliminate the risks.

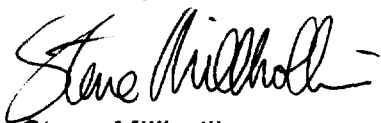
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- CPE vendors to warn customers of the specific toll fraud risks associated with their equipment
- IXC's and LEC's to offer detection, notification, prevention, and educational offerings and services as a part of the basic costs of those products and services.

When a specific case of toll fraud occurs, in the absence of proven negligence, the costs of toll fraud should be shared equally by all providers and users involved. If negligence can be proven, then the costs should be allocated accordingly.

Toll fraud is a potentially devastating problem that affects the entire telecommunications industry, including users, vendors, and carriers. In some cases, it can put a small business out of business. I am certain that if we all work together we can find a positive solution to this serious problem.

Sincerely,



Steve Millhollin
Director - Telecommunications
Ingram Book Company
One Ingram Boulevard
LaVergne, Tennessee 37086

SM/sm



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Middlesex Mutual Assurance Company

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JAN 24 1994

FCC MAIL ROOM

January 13, 1994

Mr. William F. Canton
Acting Secretary
Federal Communications Commission
1919 M Street NW
Washington, D.C. 20554

RE: CC Docket 93-292

Dear Mr. Canton:

It was with great interest I read the recent FCC Notice of Proposed Rulemaking concerning Toll Fraud. As a telecommunications professional who is responsible for my company's communications systems, I am encouraged by the proposed rulemaking because even though I have taken each and every protective step recommended by the IXC's and CPE vendors to secure my systems, I can still experience toll fraud. It is impossible to secure my system 100% from fraud.

PBX owners should not be responsible for 100% of the toll fraud if we don't control 100% of our destiny. Since our destiny is not only controlled by our PBX security precautions, but also by the information, services and equipment provided IXCs, LECs and CPEs, the law should reflect that. It is preposterous to think that the IXCs, LECs and CPEs who all have a very important part in this issue, have absolutely no legal obligations to warn customers and therefore, no real incentive to stop fraud.

CPEs should be required to provide warnings about the risks of toll fraud with their equipment and provide recommended counter methods. It is critical that CPEs ship equipment without default passwords which are well known within the hacker community. Passwords should be created during the installation of the equipment with the customers full knowledge. CPEs should be required to include security-related hardware and software in the price of their systems. When you buy a car, the lock and key are provided in the design and price of the car. Not an adjunct that you have to purchase later.

While the programs offered by IXCs, such as MCI Detect, AT&T NetProtect and Sprint Guard have broken new ground in relation to preventing toll fraud, they still don't do enough. Some of these services are too expensive for smaller companies and the educational information is superficial. Monitoring by the IXCs should be a part of the basic interexchange service offerings, as all companies, large and small, are vulnerable to toll fraud. If the IXCs were monitoring all traffic, there wouldn't be any cases of toll fraud for periods longer than a day.

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Middlesex Mutual Assurance Company

- page two -

As hackers begin new methods of breaking in to systems by using local lines instead of 800 numbers, the LECs should be required to offer monitoring services similar to the IXC's.

I applaud the provisions outlined in the NPRM on shared liability. They are fair and equitable. Shared liability will require clear definitions of the specific responsibilities of the CPE owner to secure their equipment, the manufacturer to adequately warn the customer of the toll fraud risks associated with features of the CPE, and the IXCs and LECs to offer detection and prevention programs and educational services. If toll fraud occurs and one of the parties should fail to meet these responsibilities and prove to be negligent, then they should bear the cost of the fraud. I do not believe any damages should be awarded to the aggrieved parties. Should all parties have met the aforementioned responsibilities, and toll fraud occurs, then liability should be shared equally.

However, shared liability only addresses the symptom of the problem of toll fraud and not the cause.

The root of this insidious crime of toll fraud is the hacker community. As the information highway widens, so do the endless opportunities for hackers to compromise our communications systems. I do not believe it when the hackers state they only 'hack' to gain knowledge. If this were the case, there wouldn't be a toll fraud problem. While it is the hacker who breaks in to they systems and sells the information, it is the call sell operations that truly profit from it.

Until we come up with an adequate method for law enforcement to catch and prosecute these criminals, toll fraud will continue to grow beyond the \$5 billion problem it is today. We must develop legislation that clearly defines and penalizes this criminal activity and gives law enforcement the tools it needs to track and prosecute the perpetrators of toll fraud.

Toll fraud is an illegal, fraudulent theft of service. I am encouraged that if we all work together we can make a positive impact on this terrible problem.

Sincerely,
MIDDLESEX MUTUAL ASSURANCE COMPANY

Harold Krach

Harold Krach
Telecommunications Specialist

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EMPLOYERS REINSURANCE CORPORATION

5200 Main Street, Box 2991, Overland Park, Kansas 66201-1391
(913) 676-5200 · Facsimile (913) 676-5221

A General Electric Financial Services Company

January 11, 1994

Mr. William F. Canton
Acting Secretary
Federal Communications Commission
1919 M Street NW
Washington, DC 20554

RECEIVED

JAN 24 1994

FCC MAIL ROOM

Re: CC Docket no. 93-292

Dear Mr. Canton:

I am a telecommunications professional who is responsible for my company's telecommunication systems security and I am painfully aware that although I may reduce the risk, no matter how many steps I take to secure my systems, I am still vulnerable to toll fraud. That is why I am so encouraged by the proposed rule making.

PBX owners should not be responsible for 100% of toll fraud if we are not controlling 100% of our destiny. This destiny is ultimately controlled by not only our implementation and proper use of PBX security features but by the information, equipment and services provided by IXC's, LEC's and CPE vendors. The legal obligations of the IXC's, LEC's and CPE vendors should provide the proper incentive to reduce and eliminate all toll fraud.

Current programs offered by some IXC's (Sprint Guard™, MCI Detect™, and AT&T Netprotect™) and insurance companies are too expensive. Monitoring and proper notification by the IXC's must be a part of the basic interexchange service offerings. This should eliminate cases of toll fraud greater than 24 hours.

LEC's must also provide monitoring and proper notification as a part of their basic service offerings. Local lines are just as vulnerable to toll fraud. As the line between IXC and LEC becomes fuzzier, monitoring and proper notification by all carriers will be even more applicable.

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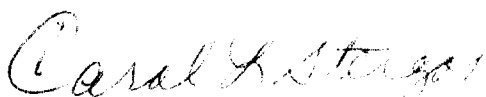
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Toll Fraud is a financially devastating problem that effects the entire telecommunications industry including users, vendors and carriers. I am sure that if we all work together we can and will make a positive impact on this problem.

Sincerely,



Carol L. Stergos
Telecommunications Coordinator

January 11, 1994

RECEIVED

JAN 24 1994

FCC MAIL ROOM

Mr. William F. Canton
Acting Secretary
Federal Communications Commission
1919 M Street NW
Washington, DC 20554

Re: CC Docket no. 93-292

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LEC's must also provide monitoring and proper notification as a part of their basic service offerings. Local lines are as vulnerable to toll fraud. As the line between IXC and LEC becomes fuzzier, monitoring and proper notification by all carriers will be even more applicable.

Orig.

CPE vendors need to provide telecommunications security as a cost of doing business instead of an opportunity to sell additional products and services. CPE vendors should be required to provide warnings about the risks of toll fraud, as it specifically relates to their equipment and provide solutions to reduce the risk of toll fraud. All CPE should be delivered without standard default passwords, which are well known to the criminal community. All login IDs, including those used by the vendor, should be disclosed at the time of purchase and at installation. All customer passwords should be changed or created at installation and the customer should receive written assurance that all vendor passwords will meet minimum requirements regarding length, change schedule, and alpha numeric format. CPE vendors should be encouraged to offer security related hardware and software in the price of their systems.

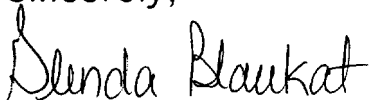
The provisions outlined in the NPRM are fair and equitable. Shared liability will require clearly defining the responsibilities of the;

- CPE owner to secure their equipment
- CPE vendors to warn customers of the specific toll fraud risks associated with their equipment
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If toll fraud occurs due to the negligence of one or more parties then the financial loss should be equitably distributed among those negligent parties. If there is no proven negligence the financial loss should be equitably distributed among CPE owner, and all CPE vendor(s), LEC(s) and IXC(s) involved.

Toll Fraud is a financially devastating problem that affects the entire telecommunications industry including users, vendors and carriers. I am sure, that if we all work together we can and will make a positive impact on this problem.

Sincerely,



Glenda Blaukat
Voice Communications Specialist

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January 11, 1994

Mr. William F. Canton
Acting Secretary
Federal Communications Commission
1919 M Street NW
Washington, DC 20554

RECEIVED

JAN 24 1994

FCC MAIL ROOM

Re: CC Docket no. 93-292

Dear Mr. Canton:

I am a telecommunications professional who is responsible for my company's telecommunication systems and I am painfully aware that although I may reduce the risk, no matter how many steps I take to secure my systems, I am still vulnerable to toll fraud. That is why I am so encouraged by the proposed rule making.

PBX owners should not be responsible for 100% of toll fraud if we are not controlling 100% of our destiny. This destiny is ultimately controlled by not only our implementation and proper use of PBX security features but by the information, equipment and services provided by IXC's, LEC's and CPE vendors. The legal obligations of the IXC's, LEC's and CPE vendors should provide the proper incentive to reduce and eliminate all toll fraud.

Current programs offered by some IXC's (Sprint Guard™, MCI Detect™, and AT&T Netprotect™) and insurance companies are too expensive. Monitoring and proper notification by the IXC's must be a part of the basic interexchange service offerings. This should eliminate cases of toll fraud greater than 24 hours.

LEC's must also provide monitoring and proper notification as a part of their basic service offerings. Local lines are as vulnerable to toll fraud. As the line between IXC and LEC becomes fuzzier, monitoring and proper notification by all carriers will be even more applicable.

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Orig.

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Sincerely,

Nancy L Klein
Mgr of Telecomm
Saint Anthony Med Ctr

~~DOCKET FILE COPY DUPLICATE~~
Tetley Inc.

100 Commerce Drive, P.O. Box 856, Shelton, CT 06484-0856, 203-929-9200

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January 10, 1993

RECEIVED

JAN 24 1994

FCC MAIL ROOM

Mr. William F. Canton
Acting Secretary
Federal Communications Commission
1919 M Street NW
Washington, D.C. 20554

RE: CC Docket 93-292

Dear Mr. Canton:

It was with great interest I read the recent FCC Notice of Proposed Rulemaking concerning Toll Fraud. As a telecommunications professional who is responsible for my company's communications systems, I am encouraged by the proposed rulemaking because even though I have taken each and every protective step recommended by the IXC's and CPE vendors to secure my systems, I can still experience toll fraud. It is impossible to secure my system 100% from fraud.

PBX owners should not be responsible for 100% of the toll fraud if we don't control 100% of our destiny. Since our destiny is not only controlled by our PBX security precautions, but also by the information, services and equipment provided IXCs, LECs and CPEs, the law should reflect that. It is preposterous to think that the IXCs, LECs and CPEs who all have a very important part in this issue, have absolutely no legal obligations to warn customers and therefore, no real incentive to stop fraud.

CPEs should be required to provide warnings about the risks of toll fraud with their equipment and provide recommended counter methods. It is critical that CPEs ship equipment without default passwords which are well known within the hacker community. Passwords should be created during the installation of the equipment with the customers full knowledge. CPEs should be required to include security-related hardware and software in the price of their systems. When you buy a car, the lock and key are provided in the design and price of the car. Not an adjunct that you have to purchase later.

While the programs offered by IXCs, such as MCI Detect, AT&T NetProtect and Sprint Guard have broken new ground in relation to preventing toll fraud, they still don't do enough. Some of these services are too expensive for smaller companies and the educational information is superficial. Monitoring by the IXCs should be a part of the basic interexchange service offerings, as all companies, large and small, are vulnerable to toll fraud. If the IXCs were monitoring all traffic, there wouldn't be any cases of toll fraud for periods longer than a day.

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As hackers begin new methods of breaking in to systems by using local lines instead of 800 numbers, the LECs should be required to offer monitoring services similar to the IXC's.

I applaud the provisions outlined in the NPRM on shared liability. They are fair and equitable. Shared liability will require clear definitions of the specific responsibilities of the CPE owner to secure their equipment, the manufacturer to adequately warn the customer of the toll fraud risks associated with features of the CPE, and the IXCs and LECs to offer detection and prevention programs and educational services. If toll fraud occurs and one of the parties should fail to meet these responsibilities and prove to be negligent, then they should bear the cost of the fraud. I do not believe any damages should be awarded to the aggrieved parties. Should all parties have met the aforementioned responsibilities, and toll fraud occurs, then liability should be shared equally.

However, shared liability only addresses the symptom of the problem of toll fraud and not the cause.

The root of this insidious crime of toll fraud is the hacker community. As the information highway widens, so do the endless opportunities for hackers to compromise our communication systems. I do not believe it when the hackers state they only 'hack' to gain knowledge. If this were the case, there wouldn't be a toll fraud problem. While it is the hacker who breaks in to the systems and sells the information, it is the call sell operations that truly profit from it.

Until we come up with an adequate method for law enforcement to catch and prosecute these criminals, toll fraud will continue to grow beyond the \$5 billion problem it is today. We must develop legislation that clearly defines and penalizes this criminal activity and gives law enforcement the tools it needs to track and prosecute the perpetrators of toll fraud.

Toll fraud is an illegal, fraudulent theft of service. I am encouraged that if we all work together we can make a positive impact on this terrible problem.

Sincerely,



~~DOCKET FILE COPY DUPLICATE~~

1415 WYCKOFF ROAD, P.O. BOX 1464, WALL, NEW JERSEY 07719 (908) 938-1000

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RECEIVED

JAN 24 1994

FCC MAIL ROOM

January 12, 1994

Mr. William F. Canton
Acting Secretary
Federal Communications Commission
1919 M Street NW
Washington, DC 20554

RE: CC Docket No. 93-292

Dear Mr. Canton:

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January 12, 1994

Page 2

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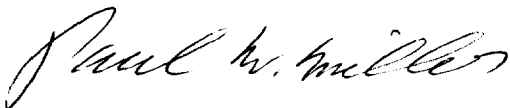
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Sincerely,



Paul W. Miller

Manager-Computer Operations & Telecommunications

PWM:cd